

Stand of Utah DEPARTMENT OF NATURAL RESOURCES Division of Oil, Gas & Mining

MICHAEL R. STYLER Executive Director JOHN R. BAZA
Division Director

Inspection Report Minerals Regulatory Program Report Date November 8, 2006

Supervisor A

Report Date November 8, 20

Mine Name: Neal State
Operator Name: Ziegler Chemical and Mineral
Inspection Date: October 31, 2006
Time: 12:15-1:10 PM

Inspector(s): Paul Baker

Other Participants: Brent Taylor and Jason Stewart

Mine Status: Active Weather: Clear, 50's

Elements of Inspection	Evaluated	Comment	Enforcement
1. Permits, Revisions, Transfer, Bonds	\boxtimes	\boxtimes	
2. Public Safety (shafts, adits, trash, signs, highwalls)	\boxtimes	\boxtimes	
3. Protection of Drainages / Erosion Control			
4. Deleterious Material			
5. Roads (maintenance, surfacing, dust control, safety)	\boxtimes	\boxtimes	
6. Concurrent Reclamation			
7. Backfilling/Grading (trenches, pits, roads,			
highwalls, shafts, drill holes)			
8. Water Impoundments			
9. Soils	\boxtimes	\boxtimes	
10. Revegetation			
11. Air Quality			
12. Other	\boxtimes	\boxtimes	

Purpose of Inspection:

I was informed last May that the operator would be re-activating this site, and I wanted to see what was happening.

Inspection Summary:

1. Permits, Revisions, Transfer, Bonds

The Notice of Intention to Commence Small Mining Operations shows three mine sites, 1000 feet of new roads, 7000 feet of improved roads, and 2.7 acres of disturbance. The map in the notice shows the "original Neal #1" mine, the "present site Neal #1 (Neal #2), and the "proposed site of Neal #3."

Correspondence in the file indicates there is disturbance at the original Neal #1 Mine site, but I have not been to this area.

The Division apparently holds a corporate surety of \$24,000.00 for reclamation of 4.8 acres, so the area permitted for disturbance, 2.7 acres, and the area bonded for disturbance, 4.8 acres, are not the same.

2. Public Safety (shafts, adits, trash, signs, highwalls)
The operator has installed a new shaft with a wood collar to the southwest of the previous workings (center of Photo 2).

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There is an open trench at this site, and I told the operator in the previous inspection that this trench needed to be backfilled, fenced, or otherwise secured. A fence has been installed around the open trench (just visible on the left and right of Photo 1).

5. Roads (maintenance, surfacing, dust control, safety)

The attached map shows two access roads. These roads were not included in the acreage figure on the map but should be. The south road is new since the last inspection. Disturbance from the roads is 0.75 acres.

The NOI shows a road leading to the Neal #2 Mine and continuing from there to the Neal #3 Mine which is different from what was done.

9. Soils

I believe some soil was salvaged from the site, but there are definitely some areas from which soil was not salvaged.

12. Other

Facilities and equipment at the site are shown in the photos and include the new shaft, an ore bin, a fuel tank, a compressor, and a generator.

The disturbance acreage figure shown on the attached map does not include the two access roads and does not include the original Neal #1 Mine. The total disturbance shown on the map, including the roads but not including the original Neal #1 site (not mapped), is 3.14 acres.

Conclusions and Recommendations:

The operator needs to file an amendment to show the new access road. The amendment needs to also show the total disturbed area acreage for the entire site. While the operator has disturbed more area than shown in the NOI, the surety probably covers enough acreage. This needs to be confirmed.

The Division should review the surety amount considering the acreage and the new facilities, but it may be adequate.

The operator needs to ensure that soil is salvaged from areas being disturbed.

Inspector's Signature Date: 11/13/06

PBB:pb

Valyn Davis, Ziegler

Gordon Ziegler, Ziegler

Will Stokes, SITLA Attachment: GPS & Photos

ATTACHMENT

Photographs

M0470063, Neal State Mine, Ziegler Chemical and Mineral

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Photo 1. The operator has installed a fence on either side of this trench.



Photo 2. This picture shows the Gilsonite vein and the new mine.



Photo 3. Fuel tank and other facilities at the site.



Photo 4. The storage bin.

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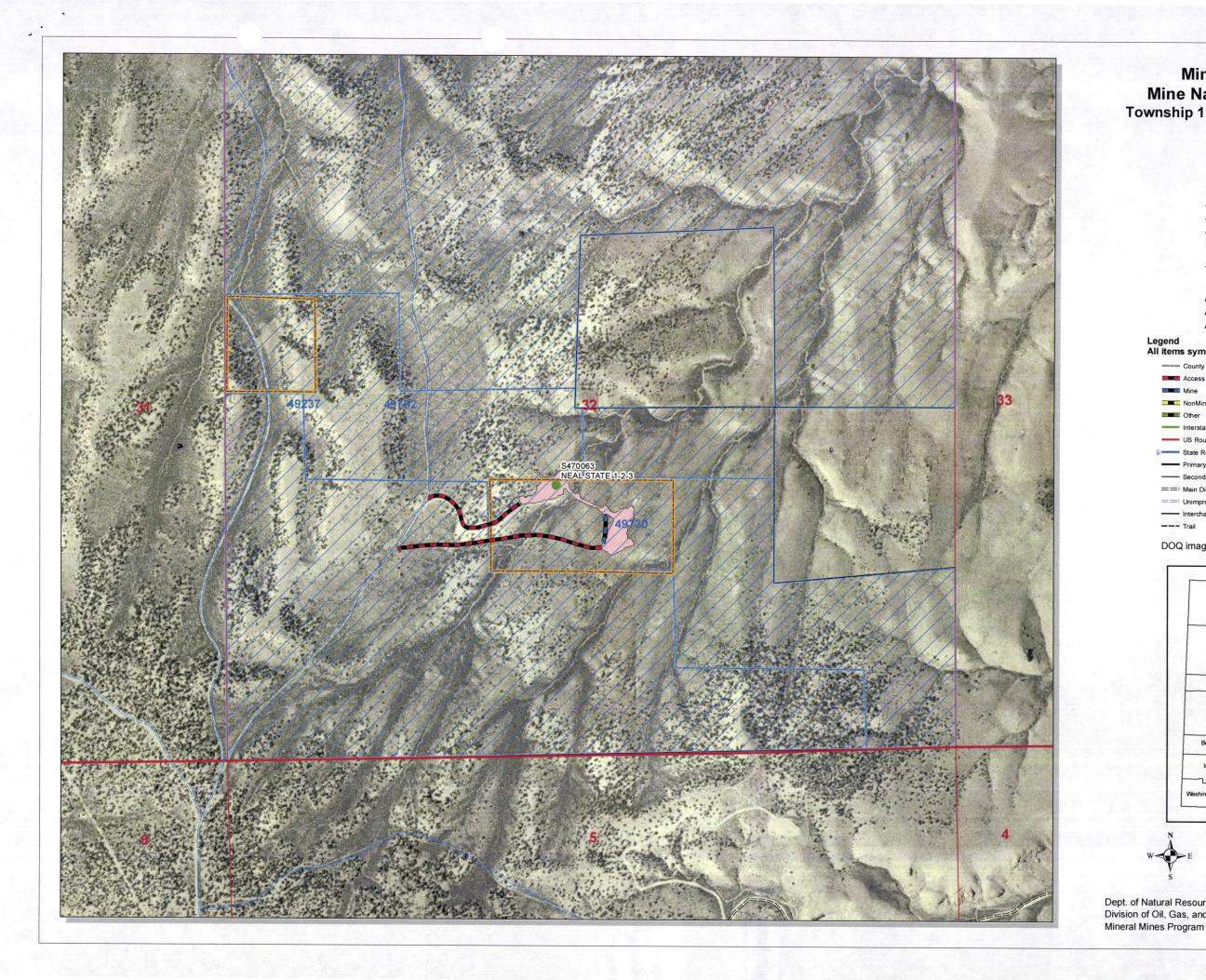
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Photo 5. Some of the equipment.



Photo 6. Another view showing some of the equipment. In the distance is a hoist on the Neal #2 Mine pad. Hunters' trailers were parked on the pad at the time of the inspection.



Mine Number: S0470063 Mine Name: Neal Slate 1, 2 and 3 Township 11 S Range 24 E Section 32 SLBM

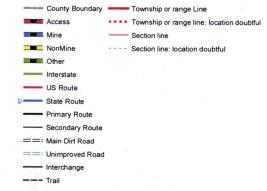
Inspection Date Oct. 31, 2006 Map Produced by DKS

Acres Disturbed	2.34
Acres Regraded	0
Acres Seeded	0
Road Acres Disturbed	0.05
Total Acres Distrubed	2.39

Acres Reclaimed Acres Excluded

Acres Prelaw

Legend All items symbolized in legend may not be appear on map



DOQ imagery date 2004



Dept. of Natural Resources Division of Oil, Gas, and Mining

1:7,500 1 inch equals 625 feet Verify Scale

Different data sources and input scales may cause misalignment of data layers.
This product may not meet DOGM standards for accuracy and content.